

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2011 – 2012 & thereafter)

SUBJECT CODE: 11CM/PC/BT34

M.Com. DEGREE EXAMINATION NOVEMBER 2013
COMMERCE
THIRD SEMESTER

COURSE : MAJOR CORE
PAPER : BUSINESS TAXATION
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

I. ANSWER ALL QUESTIONS: (10 x 2 = 20)

1. Define Person.
2. What are the deductions allowed under Sec. 16 in computing income from salary?
3. What is indexed cost of acquisition?
4. What is a revised return?
5. What is customs duty?
6. Mr. X left India for the first time on 15.12.2012 and returned back to India on 02.02.2013. What is his residential status for the AY2013-14?
7. Mr. R. earns a basic salary of Rs. 9000 p.m and D.A of Rs. 6000 p.m. His employer contributes 14% of salary to RPF. Calculate the taxable amount of employer's contribution to RPF.
8. Compute GAV:- MRV – Rs.60,000; FRV – Rs. 65,000; Standard Rent – Rs. 59,500; Actual Rent – Rs. 72,000.
9. Mr. A makes a contribution of Rs. 2,00,000 to a University for scientific research. Determine the amount of deduction available.
10. Compute Gross Total Income :-
Business Income – Rs. 15,000; Short term Capital Loss – Rs. 1200; Long term Capital gain – Rs. 7200.

SECTION – B

II. ANSWER ANY FIVE QUESTIONS: (5 x 8 = 40)

11. Define previous year. What are the exceptions to the rule that income of the previous year is taxable in the following assessment year?
12. What are Capital Assets? Explain the kinds of Capital Assets.
13. Explain Permanent Account Number.
14. Explain the types of Excise Duty.
15. The following are the incomes of Mr. Sunil for the previous year 2012-13.

	Rs.
(a) Salary received in Bangalore	50,000
(b) Salary received in USA for services rendered in India	20,000
(c) Income from business in Chennai, controlled from U.K.	40,000
(d) Income from agriculture in Punjab	60,000

(e) Dividend received in Paris from a French Co.	5,000
(f) Profits from business in Singapore, controlled from Mumbai	40,000
(g) Income from house property in Goa	25,000
(h) Past untaxed profits brought to India during the Current previous year	10,000

Compute the Gross Total Income of Mr. Sunil if he is (a) a Resident (b) Not Ordinarily Resident and (c) a Non – Resident.

16. From the following particulars, calculate the salary income of Mr. Kishore for the PY2012-13.

	Rs.
Salary	8,000 p.m
D.A (forming part)	2,000 p.m
Bonus	8,000 p.a
Entertainment Allowance	500 p.m
CCA	300 p.m
Children education allowance (1 child)	200 p.m
Commission on turnover	5,000 p.a

Rent Free accommodation is provided by the employer, the F.R.V. of which is Rs. 20,000 p.a. The cost of furniture provided there is Rs. 10,000 (Population above 25 lakhs). Club bills paid by the employer – Rs. 2000 p.a.

17. Mr. Z. sold the following assets during the PY2012-13 –
- Furniture purchased on 01.05.2012 for household purpose at a cost of Rs. 2000 is sold for Rs. 3000.
 - Machinery purchased in 1983-84 for Rs.50,000 is sold for Rs. 60,000 (W.D.V on 01.04.2012 is Rs. 35,000).
 - One residential house purchased for Rs. 30,000 in 1987-88 is sold for Rs.5,00,000. Cost of improvement incurred in 1991-92 is Rs. 50,000.
Cii - 1983-84 = 116; 1987-88 = 150; 91 -92 = 199; 2012-13 = 852].
Compute the taxable gains.

18. Compute the tax liability of Mrs. Anu, aged 50 years : -

	Rs
Taxable salary	12,00,000
Taxable house property income	2,00,000
Long term Capital gains	50,000
Royalty income	20,000
LIC premium paid	5,000
Donation to NDF	4,000
Medical insurance premium paid	6,000

SECTION – C**II. ANSWER ANY TWO QUESTIONS:****(2 x 20 = 40)**

19. Explain the powers of CBDT.
20. Explain the provisions of Customs Act, 1962, relating to grant of exemption from duty.
21. Mr. A. is a Chartered Accountant. From the following particulars of income and expenditure A/C for the year 2012 – 13, Compute his income from profession.

EXPENDITURE	Rs.	INCOME	Rs.
To office rent	33,000	By Audit fees	3,00,000
To staff salary	75,000	By financial consultancy services	60,000
To charity	5,000	By interest on deposits	22,000
To gifts to relatives	6,000	By Dividend	6,000
To subscription for journals	2,400	By Accountancy works	32,000
To Drawings	16,000		
To car expenses	24,000		
To household expenses	8,600		
To NSC purchased	40,000		
To Net Income	2,10,100		
	4,20,000		4,20,000

Additional Information :-

- (1) Office rent paid Rs. 3,000 is not recorded.
 (2) Depreciation of car for the year is Rs. 6000.
 (3) 30% of car expenses are related to personal purpose.

22. Mr. X owns 2 houses.

House 1 :- 50% of property is let out and 50% is occupied for his residence. The let out portion was also self occupied for 2 months.

House 2 : - Let out for whole year.

The other particulars are :-

	House 1	House 2
	Rs. (p.a)	Rs. (p.a)
MRV	5,000	20,000
Annual rent	4,000 (for 50%)	16,000
Standard Rent	-	18,000
Municipal tax paid	1,000	2,000
Repairs	800	700
Interest on loan for Construction	1,000	3,000

His income from other sources amounts to Rs. 50,000. Determine his Gross Total Income.
